

Congress of the United States
Washington, DC 20515

The Honorable Lucille Roybal-Allard
Chairwoman
House Appropriations Subcommittee on Homeland Security
Washington, DC 20515

The Honorable David Price
Chairman
House Appropriations Subcommittee on Transportation,
Housing and Related Agencies
Washington, DC 20515

July 2, 2020

Dear Chairwoman Roybal-Allard and Chairman Price,

Thank you for the opportunity to discuss provisions in the Fiscal Year 2021 appropriations bills allowing for cancellation of Community Disaster Loans and an end to recoupment efforts of individual disaster aid.

While Superstorm Sandy hit landfall over seven years ago, survivors in our state are still confronting the fallout of the disaster. The ongoing financial distress placed on communities and families from the storm has been compounded in recent months by the COVID-19 outbreak. At a time when unemployment has reached record highs and local budgets are stretched thin, FEMA is asking both municipalities and individual residents to pay back tens of millions of dollars in loans and grants issued for Sandy recovery efforts under the Community Disaster Loan (CDL) Program and other disaster aid programs.

After Superstorm Sandy, the CDL program provided essential lifelines for municipalities to help prevent disruptions to essential services critical to maintaining the health and welfare of our communities. The program was created with the primary purpose of supporting local governments with significant tax and other major revenue losses after major disasters. We believe it would be contradictory to the program's goals to collect payments from its recipients at a time when localities are most vulnerable to steep revenue declines from the COVID-19 outbreak.¹ For these reasons, we ask that you consider retroactive cancellation of these loans when crafting the annual funding bills.

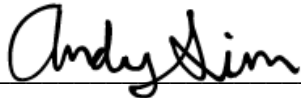
Similar to the issue facing our municipalities, individual New Jersey homeowners and their families are facing the prospect of collectively owing millions of dollars in recoupment payments back to the federal government from aid that was disbursed in the aftermath of Superstorm

¹ <https://www.brookings.edu/blog/the-avenue/2020/03/31/when-will-your-city-feel-the-fiscal-impact-of-covid-19/>

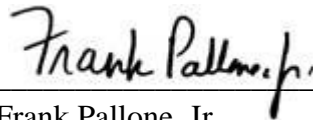
Sandy, even if the assistance was spent on legitimate recovery efforts. Recoupment efforts have blindsided many, because it was under the federal government's own recommendation that many New Jersey residents applied for loans and benefits offered by various federal programs before additional aid through grants were distributed. While we understand that this rule was instituted to reduce fraud, waste and abuse in the system, it has instead punished homeowners who have taken all the right and recommended steps towards recovery.

For these reasons, we respectfully request that you consider provisions in the appropriations bills that would forgive the debt incurred in the aftermath of Superstorm Sandy by New Jersey municipalities and homeowners.

Sincerely,



Andy Kim
Member of Congress



Frank Pallone, Jr.
Member of Congress